

MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS COMMITTEE
February 27, 2002 at 4:00 P. M.
Room 303, State Capitol Building

Members Present: Sen. Leonard Blackham, Committee Co-Chair
Rep. Jeff Alexander, Committee Co-Chair
Sen. Ron Allen
Sen. Gene Davis
Sen. Mike Dmitrich
Sen. Karen Hale
Sen. Peter Knudson
Pres. Al Mansell
Sen. Steve Poulton
Sen. John Valentine
Rep. Patrice Arent
Rep. Ralph Becker
Rep. Jackie Biskupski
Rep. Greg Curtis
Rep. Kevin Garn
Rep. Brad King
Speaker Martin Stephens

Sen. Bill Hickman, Vice-Chair
Rep. Ron Bigelow, Vice Chair

Members Absent: Rep. David Ure

Staff Present: John Massey, Legislative Fiscal Analyst
Michael Kjar, Deputy Director
Linda Hansen, Secretary
Leslie Clark, Secretary

Others Present: Rep. Lamont Tyler
Bill Greer, Fiscal Analyst
Gary Ricks, Fiscal Analyst
Sen. Beverly Evans
Kevin Walthers, Fiscal Analyst
Sen. Scott Jenkins
Rep. Chad Bennion
Debbie Headden, Fiscal Analyst
Stan Eckersley, Fiscal Analyst
Rep. Sheryl Allen
Andrea Wilko, Fiscal Analyst
Sen. David Steele
Rep. Jack Seitz

Spencer Pratt, Fiscal Analyst
Thor Nilsen, Fiscal Analyst
Sen. Michael Waddoups
Rep. Don Bush
Mark Bleazard, Fiscal Analyst
Sen. Parley Hellewell
Rep. Michael Styler
Steve Allred, Fiscal Analyst
Sen. Howard Stephenson
Rep. Marda Dillree
Michael Kjar, Fiscal Analyst
Ben Leishman, Fiscal Analyst
Jon Ball, Fiscal Analyst
Sen. Lyle Hillyard
Rep. Afton Bradshaw
Boyd Garriott, Fiscal Analyst

List of Others Present on File:

Committee Co-Chair Blackham called the meeting to order at 4:25 p.m.

1. **Approval of Minutes**

MOTION: Co-Chair Alexander made a motion to approve the minutes of February 25, 2002. The motion passed unanimously.

2. **Subcommittee Reports**

Executive Offices & Criminal Justice

Rep. Lamont Tyler, Co-Chair of the Subcommittee, and Bill Greer and Gary Ricks, Fiscal Analysts, appeared before the Committee. Rep. Tyler reported that the Subcommittee reduced the General Fund budget by \$1,092,200 for FY 2002. This is in addition to the \$20,512,800 General Fund reduction previously passed and meets the Executive Appropriations Committee target.

Rep. Tyler said the Subcommittee reduced the FY 2003 budget \$3,795,900 General Fund, in addition to the \$14,858,700 previously recommended, and this meets the Executive Appropriations target.

Rep. Tyler expressed concern about the closure of the Spanish Fork and Roy Courthouses which would reduce revenue to the State.

Rep. Tyler mentioned the 18% fleet rate increase approved by Capital Facilities Appropriation in the amount of \$1,646,047 which may have a significant impact on programs and personnel.

Capital Facilities & Administrative Services

Sen. Beverly Evans, Co-Chair of the Subcommittee, and Kevin Walthers, Fiscal Analyst, appeared before the Committee.

Sen. Evans said the Subcommittee fell short of the target by \$236,700 for FY 2002 and \$710,300 for FY 2003. Sen. Evans said that further cuts to DAS from the General Fund will prevent the Department from performing its statutory mission and the Subcommittee have not accepted staff recommendations to eliminate the Records Analysis Program with the Division of Archives not have they accepted a recommendation to remove \$360,000 from the AGRC.

Sen Evans further reported that since 1999 the Subcommittee has terminated funding for at lease eleven programs at a savings of just over \$3.1 million.

Sen. Evans said in making original cuts for FY 2002, the Subcommittee found more than \$28 million in its budget which is 14 percent of the \$202.5 million originally cut and 15 percent of the Subcommittee's entire available tax funds, including debt service.

The budget for the Department of Administrative Services is nearly 11.5 percent lower today than it was in 1993--this is in real dollars Sen. Evans said.

Commerce & Revenue

Sen. Scott Jenkins and Rep. Chad E. Bennion, Co-Chairs, and Debbie Headden and Stan Eckersley, Fiscal Analysts, were present.

Rep. Bennion said the Subcommittee reached the target for FY 2002 and for FY 2003 through a combination of budget reductions and revenue enhancements.

UCAT - Commerce & Revenue

Sen. Jenkins said that is very difficult to make cuts to UCAT budget. He reported a difference of \$500,000 of the target for FY 2002 and \$1,590,500 difference of the target for FY 2003. Sen. Jenkins and Rep. Bennion requested that the Executive Appropriations Committee cover one-time funding for the shortfall of \$500,00 for FY 2002 and \$1,590,500 for FY 2003.

Economic Development & Human Resources

Rep. Sheryl Allen, Co-Chair, and Andrea Wilko, Fiscal Analyst, were present. Rep. Allen said that Sen. David Gladwell, Co-Chair, was unable to be present.

Rep. Allen indicated that the Subcommittee came in at the target reductions of \$129,500 with reductions for \$50,000 from Manufacturers Extension Partnership and \$79,500 from Association of Governments Pass Through for FY 2002. The target of \$488,400 was met for FY 2003 with reductions of \$250,000 from Manufacturers Extension Program and \$238,400 from Association of Governments Pass Through.

The Subcommittee shifted internally \$50,000 from the Zoo's budget in FY 2003 into the Fair Budget.

If funding becomes available the Subcommittee would like to see the cuts restored.

Health & Human Services

Sen. David Steele, Rep. Jack Seitz, Co-Chairs, and Spencer Pratt and Thor Nilsen, Fiscal Analysts appeared before the Committee.

Human Services

Rep. Seitz said the Subcommittee met the target for budget reductions and reviewed reductions for FY 2003.

Rep. Seitz said that for FY 2002 the Subcommittee's recommendation includes replacing \$696,600 General Funds with one-time Medicaid Restricted Account Funds. This would require statutory change in the use of these funds.

Rep. Seitz reviewed a list passed out to the Executive Appropriations Committee with FY 2003 Subcommittee recommendations.

Health

Sen. Steele reported to the Committee that the Subcommittee came within the target with a suggested revenue option for FY 2002 for a one-time transfer from the Medicaid Restricted Account in the amount of \$1,200,000. The Department should then be authorized to transfer appropriate amounts from General Funds appropriated to the Division of Health Care Financing to other parts of the Department to balance their budgets.

Sen. Steele said an increase in the federal match rate for Medicaid reimbursement frees up nearly \$4 million in ongoing state General Fund monies and is available to the Subcommittee for FY 2003 to address the Department's budget shortfall. The Subcommittee recommends transferring \$4 million of General Funds appropriated to the Medicaid program to other parts of the Department to balance the budgets.

Transportation & Environmental Quality

Sen. Michael Waddoups, Rep. Don Bush, Co-Chairs, and Mark Bleazard, Fiscal Analyst appeared before the Committee.

Rep. Bush expressed concern and indicated that the Subcommittee has worked hard to help balance the budget. He reported that they are \$1,500,000 short of making the target for FY 2002 and \$2,236,000 short in meeting the target for FY 2003.

Rep. Bush indicated that reductions have been made in the Department of Environmental Quality for inspection of used oil, replace General Fund with restricted and water programs for a total of \$621,000 in FY 2002 and \$5,165,000 in FY 2003.

Natural Resources

Sen. Parley Hellewell, Rep. Michael Styler, Co-Chairs, and Steve Allred, Fiscal Analyst, appeared before the Committee.

Rep. Styler reported that the FY 2002 target was met. The Subcommittee exceeded the target for FY 2003 by \$5 million in a one time cut of Sales Tax - Water Resources in the amount of \$4,690,000 and a one time cut of Sales Tax ARDL in the amount of \$310,000.

Public Education

Sen. Howard Stephenson, Rep. Marda Dillree, Co-Chairs and Michael Kjar, Ben Leishman, and Jon Ball, Fiscal Analysts, were present.

Rep. Dillree said the Subcommittee voted to give local school boards flexibility to make budgetary reductions where they feel it will have the least impact. She reported that the majority of cuts will be made in an equitable manner among all school districts by reducing block grant funding.

The FY 2002 Supplemental Reduction came within target and includes reductions in the Local Discretionary Block Grant, FACT, At Risk Programs/Pregnancy, and the State Office of Education.

The Subcommittee did not act on the Analyst's recommendation to restructure the Drivers' Education Program. The Subcommittee wishes to examine this option during the interim.

The Subcommittee met its target in budget reductions, less the \$4,100,000 to be reduced in the Drivers' Education Restructuring.

Higher Education

Sen. Lyle Hillyard, Rep. Afton Bradshaw, Co-Chairs, and Boyd Garriott and Debbie Headden, Fiscal Analysts, were present.

Sen. Hillyard reported that the Subcommittee reduced the FY 2002 through the SB 142 - Pres, Reauthorization in the amount of \$1,804,500 which brings FY 2002 within target.

Sen. Hillyard said the Subcommittee was asked to look at UEN, and because of long term contracts, it is difficult to make cuts and they felt that \$150,000 was a more appropriate cut for FY 2002.

For FY 2003 Sen. Hillyard said \$260,600 from SB 142 - Pres Reauthorization had been cut in the UEN leaving a difference of \$1,520,200. Sen. Hillyard said they need to look at some areas in UEN that can be cut without hurting the program and they need time to make these decisions.

Sen. Hillyard said \$10 million had been cut in Higher Education leaving a difference of \$2,773,000 for FY 2003.

Sen. Hillyard said the Subcommittee will report back to the Executive Appropriations Committee in September of cuts of specific programs.

Sen. Hillyard mentioned that there are difficult challenges in Higher Education. He said the student growth rate is 15 percent and a choice would be to cap enrollment or a large tuition increase.

Co-Chair Blackham expressed appreciation to all of the Subcommittee Co-Chairs and the Subcommittees for all of their hard work and effort.

MOTION: Sen. Davis made a motion to adjourn. The motion passed unanimously.

The meeting was adjourned at 5:35 p.m.

The minutes were reported by Linda Hansen and Leslie Clark, Secretaries.

Sen. Leonard Blackham, Co-Chair

Rep. Jeff Alexander, Co-Chair